

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 1642

7 H.P. 1136

House of Representatives, June 4, 1985

8 Referred to the Committee on Appropriations and Financial Affairs. Sent
9 up for concurrence and ordered printed. Ordered sent forthwith.

10 EDWIN H. PERT, Clerk

Presented by Representative Melendy of Rockland.

11 Cosponsored by Representative Vose of Eastport, Senator Carpenter of
Aroostook and Representative Drinkwater of Belfast.

12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-FIVE
16

17 AN ACT to Authorize a General Fund Bond
18 Issue in the Amount of \$850,000 for
19 Acquisition of Certain Rail Liners in Maine.
20

21 Preamble. Two thirds of both Houses of the Legis-
22 lature deeming it necessary in accordance with the
23 Constitution of Maine, Article IX, Section 14, to au-
24 thorize the issuance of bonds on behalf of the State
25 to provide for the acquisition of certain rail lines.

26 Be it enacted by the People of the State of Maine as
27 follows:

28 Sec. 1. Authorization of General Fund bonds to
29 provide for the acquisition of certain rail lines.
30 The Treasurer of State is authorized, under the di-
31 rection of the Governor, to issue from time to time
32 registered bonds in the name and behalf of the State
33 to an amount not exceeding \$850,000 for the purpose
34 of raising funds for the acquisition of certain rail
35 lines as authorized by section 6 of this Act. The
36 bonds shall be deemed a pledge of the full faith and

1 credit of the State. The bonds shall not run for a
2 longer period than 20 years from the date of the
3 original issue of bonds. Any issuance of bonds may
4 contain a call feature at the discretion of the Trea-
5 surer of State with the approval of the Governor.

6 **Sec. 2. Records of bonds issued to be kept by**
7 **the State Auditor and Treasurer of State.** The State
8 Auditor shall keep an account of the bonds, showing
9 the number and amount of each, the date when payable
10 and the date of delivery of the bonds to the Treasur-
11 er of State who shall keep an account of each bond
12 showing the number of the bond, the name of the suc-
13 cessful bidder to whom sold, the amount received for
14 the bond, the date of sale and date when payable.

15 **Sec. 3. Sale; how negotiated; proceeds allocated**
16 **and appropriated.** The Treasurer of State may negoti-
17 ate the sale of the bonds by direction of the Gover-
18 nor, but no such bond may be loaned, pledged or hy-
19 pothecated in behalf of the State. The proceeds of
20 the sale of the bonds, which shall be held by the
21 Treasurer of State and paid by him upon warrants
22 drawn by the State Controller, are allocated and ap-
23 propriated to be used solely for the purposes set
24 forth in this Act. Any unencumbered balances remain-
25 ing at the completion of the projects in section 6
26 of this Act shall lapse to the debt service account
27 established for the retirement of these bonds.

28 **Sec. 4. Interest and debt retirement.** Interest
29 due or accruing upon any bonds issued under this Act
30 and all sums coming due for payment of bonds at matu-
31 rity shall be paid by the Treasurer of State.

32 **Sec. 5. Disbursements of proceeds of the bonds.**
33 The proceeds of the bonds set out in section 6 of
34 this Act shall be expended under the direction and
35 supervision of the Commissioner of Transportation.

36 **Sec. 6. Appropriation from the General Fund bond**
37 **issue.** The proceeds of the sale of bonds shall be ex-
38 pended to carry out the purposes of this Act.

39 Acquisition of the following rail lines \$850,000

40 Brewer to Calais, 126.92 miles (Calais Branch)

1 Hardings (Brunswick) to Rockland, 52.12 miles
2 (Rockland Branch)

3 Steep Falls (Standish) to Maine-New Hampshire
4 line (Eryeburg), 26.63 miles (Mountain Division)

5 Such other line or lines as the Commissioner of
6 Transportation shall find to be part of the es-
7 sential rail system of the State.

8 Sec. 7. Contingent upon ratification of bond is-
9 sue. Sections 1 to 6 of this Act shall not become ef-
10 fective unless and until the people of the State have
11 ratified the issuance of bonds as set forth in this
12 Act.

13 Sec. 8. Allocation and appropriation balances at
14 year end. At the end of each fiscal year, all encum-
15 bered allocation and appropriation balances repre-
16 senting state money shall carry forward from year to
17 year. Bond proceeds which have not been expended
18 within 10 years after the date of the sale of the
19 bonds shall lapse to debt service of the appropriate
20 fund.

21 Sec. 9. Bonds authorized but not issued. Any
22 bonds authorized but not issued, or for which bond
23 anticipation notes have not been issued within 5
24 years of the ratification of this Act, shall be
25 deauthorized and may not be issued, provided that the
26 Legislature may, within 2 years after the expiration
27 of that 5-year period, extend the period for issuing
28 any remaining unissued bonds or bond anticipation
29 notes for an additional amount of time not to exceed
30 5 years.

31 Sec. 10. Statutory referendum procedure; submis-
32 sion at statewide election; form of question; effec-
33 tive date. This Act shall be submitted to the legal
34 voters of the State of Maine at a statewide election
35 to be held on the Tuesday following the first Monday
36 of November following passage of this Act. The city
37 aldermen, town selectmen and plantation assessors of
38 the State shall notify the inhabitants of their re-
39 spective cities, towns and plantations to meet, in
40 the manner prescribed by law for holding a statewide
41 election, to vote on the acceptance or rejection of
42 this Act by voting on the following question.

1 "Do you favor an \$850,000 bond issue for the ac-
2 quisition, lease or rehabilitation of certain
3 rail lines in Maine?"

4 The legal voters of each city, town and
5 plantation shall vote by ballot on this question and
6 shall designate their choice by cross or checkmark
7 placed within a corresponding square below the word
8 "Yes" or "No." The ballots shall be received, sorted,
9 counted and declared in open ward, town and
10 plantation meetings and returns made to the Secretary
11 of State in the same manner as votes for members of
12 the Legislature. The Governor shall review the re-
13 turns and, if it appears that a majority of the legal
14 voters are in favor of the Act, the Governor shall
15 proclaim that fact without delay and the Act shall
16 become effective 30 days after the date of the proc-
17 lamation.

18 The Secretary of State shall prepare and furnish
19 to each city, town and plantation, all ballots, re-
20 turns and copies of this Act necessary to carry out
21 the purpose of this referendum.

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STATEMENT OF FACT

2 This is one of 4 bills submitted for the purpose
3 of implementing recommendations made by the Governor's
4 Committee on Rail Policy. The committee has developed
5 several recommendations which have been submitted to the
6 Governor and the Legislature and are designed to provide
7 assistance to the rail industry in response to existing and
8 developing rail transportation problems.
9

10 This bill provides the enabling legislation for a
11 bond issue to provide the capital funds to the Department
12 of Transportation for the acquisition, lease or rehabilitation
13 of rail lines which are shown to be part of the essential
14 rail system and thereby necessary to maintain balanced and
15 alternative transportation to the extent possible throughout
16 the State. Future funding for these purposes will be included
17 in the budgetary requests by the Department of Transportation
18 for each biennium where assistance is needed in order to
19 continue essential service.
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